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SENATOR CUDABACK: Thank you, Senator Landis. Senator Raikes, on the Landis amendment, AM3292.

SENATOR RAIKES: Thank you, Mr. President and members of the Legislature. A couple three points, if I might. One, we've had a couple of mentions now of, well, gosh, this is a difficult area; let's just forget about this expansion of the sales tax base. I think realistically, as a matter of tax policy, we can't do that. One of them is our current revenue situation. The second one is, if you look at the real place of sales tax, if you will, in a revenue mix for the state, the notion of sales tax is that it is representative of all the economic activity that goes on in the state. We are moving, and have been for a number of years, from a goods-based society to a services-based society. So just with the passage of time, if you have a sales tax that is goods-based only, your tax base narrows. So if we're going to compete in the nation of states, if you will, I think we have no choice but to expand the base. I think our rate is basically as high as it can be, to be quite frank about it. And certainly it's been...it's been mentioned that contractors would rather not have been included in that base expansion, and I cannot blame them at all. I think that's a legitimate concern on their part. But I will tell you that they have worked as group...as a group and groups, if you will, with Senator Landis very hard on this bill to make changes that they could live with. And I think everything that we've talked about so far is...has been able to meet that test. This is something that the contractor groups can, in fact, live with. I'll tell you, there are a couple of main concerns that I think are addressed. Number one, contractors came to the committee with, look, I don't want to have to completely change the way I'm doing business. I want to be able to do business like I've done before, or with as little change as possible. Rather than putting them all into the business of being retailers, and many of them weren't, this option allows them not to be retailers. They can be option two contractors, which means they carry tax-paid inventories, and you have a wide array of subcontractors and even general contractors that basically can interact in the marketplace and with the Department of Revenue the way they already...or the way they've already done it all this time. They don't have to make changes. Now that's